

Commonwealth of Massachusetts
SUPPLEMENT TO THE N.A.I.C. UNIFORM GROUP REGISTRATION FORM
FOR REGISTRATION AS A RISK RETENTION GROUP

GROUP: _____

In addition to the information requested by the N.A.I.C. Uniform Group Registration Form, please submit the following:

1. Please enclose an initial application fee in the amount of \$125 payable to the Commonwealth of Massachusetts. Registrations of all risk retention groups expire on June 30: the group will need to submit an application and annual registration fee at that time to continue its registration.
2. Provide a copy of the group's most recent audited financial statement submitted to the state in which the risk retention group is chartered, and a statement of opinion on loss and loss adjustment expense reserves signed by a member of the American Academy of Actuaries or a loss reserve specialist qualified under criteria established by the commissioner. If the group has not yet completed its first year of operation and does not yet have any audited financials or loss reserve opinions, it should submit a copy of the financial statements and actuarial study filed with its chartering state as a part of its initial application.
3. The definition of "Plan of operation or feasibility study" in the Massachusetts Law (M.G.L. c176L§1.) is more specific than that of the N.A.I.C. Uniform Group Registration Form and the group will need to provide all the specified information before it can be registered:
"Plan of operation or feasibility study," an analysis which presents the expected activities and results of a risk retention group including, at a minimum;
 - (1) information sufficient to verify that its members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of any related, similar or common business, trade, product, services, premises or operations;
 - (2) for each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer;
 - (3) historical and expected loss experience of the proposed members and national experience of similar exposures to the extent that this experience is reasonably available;
 - (4) pro forma financial statements and projections;
 - (5) appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation

- levels required to commence operations and to prevent a hazardous financial condition;
- (6) detailed description of management, underwriting and claims procedures, marketing methods, managerial oversight methods, investment policies and reinsurance agreements;
 - (7) identification of each state in which the risk retention group has obtained, or sought to obtain a charter and license, and a description of its status in each state; and
 - (8) such other matters as may be prescribed by the commissioner of the state where the risk retention group is chartered for liability insurance companies authorized by the insurance laws of that state.
4. Provide a copy of each examination of the group as certified by the public official conducting the examination.
5. In addition to every policy, certificate, contract and document evidencing coverage by the risk retention group, every **application form** for insurance from the risk retention group must contain the following notice in at least 10 point type:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available to your risk retention group

6. No risk retention group shall be allowed to do business in the commonwealth if an insurance company is directly or indirectly a member or owner of such risk retention group, other than the case of a risk retention group in which all members are insurance companies.
7. A risk retention group that violates any provision of this chapter will be subject to fines and penalties applicable to licensed insurers generally, including revocation of its right to do business in the commonwealth.